

How does access to long-term care services affect employment rates?

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Abstract

This study estimates the causal effects of long-term care insurance (LTCI) service availability on the employment rate in prefectures using panel data constructed from the Japanese census from 2000 to 2015. Increasing the availability of LTCI services is believed to improve employment rates. However, we found that care facilities' availability is uncorrelated with both men's and women's employment rate after controlling for prefecture fixed effects. Among home care services, we found that the availability of home-visit service decreases men's employment rates, while the availability of short-term stay increases men's employment rate, though home care service availability is uncorrelated with women's employment rate. Although the Japanese government has been aiming for a policy shift from "facility to home", our results suggest that it is important to note that some types of home care services may constrain the employment rate.

Keywords: Long-term care insurance (LTCI) service, Caregiving, Labor supply, Employment

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